

173-3458

23 June 1973

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Mr. Lucien N. Nedzi on 19 June 1973

1. I visited Mr. Nedzi to present my respects as I look toward my new position (he accepted these graciously) and to answer some of the unanswered questions from our last meeting in which I had gone over a series of activities of the Agency which might seem dubious. I said I was in the course of preparing a statement on each of these activities directing that it be terminated, that it be altered so as not to raise questions or that it be continued along certain lines which are considered appropriate.

2. Mr. Nedzi asked whether we were moving on a regulation with respect to dealings with ex-employees. He had particular reference to what he considered undesirable relationships with Mr.

25X1 [redacted] He stated that the Director had indicated that some steps would be taken along this line. (ACTION: DDM&S. Please consult with OGC as to whether appropriate regulation could be developed on this point.) I clarified with Mr. Nedzi that he did not have any problem about rehiring ex-employees where needed, as in such case we of course assume authority over them.

3. Mr. Nedzi also referred in the above context to Mr. Howard Hunt's relationships with the Agency and the fact that he received assistance from it. I pointed out the significant difference in that case in that Mr. Hunt was representing the White House. I added, however, that we are in the process of trying to clarify those cases in which it is appropriate for the Agency to provide assistance to another U.S. agency under the Economy Act and those in which such assistance might be considered to involve the Agency in the other agency's activity in an improper fashion. I assured him that we are looking into the prospects of a regulation along this line. (ACTION: DDM&S with OGC.)

4. Mr. Nedzi referred to an element of Mr. Haldeman's testimony which he mentioned that he and Ehrlichman had requested General Cushman for some assistance in 1969, but that this had been refused and that a clear indication of the limitations of the Agency's authority had been brought out at the time. Mr. Nedzi wondered what this incident referred. I said I did not know but that I would endeavor to find out. (ACTION: IG)

5. We referred to the various bills being submitted which would place limits on the Agency's activities. Mr. Nedzi indicated his interest in our position on these various bills. I commented that I could understand that it might be desirable to place some limitation on the Agency's activity as a result of the recent hearings. However I hoped that any such limitations would be very carefully drawn so they did not restrict the Agency unduly from perfectly proper activities. For example, I cited the possibility of recruiting foreigners in the United States, pointing out that this sometimes requires considerable operational effort. I did not see this in any sense improper but a bill which prohibited any "domestic activity" or "operations in the United States" might be construed to prohibit such activities. Mr. Nedzi understood these points and indicated receptivity to any thoughts we had which might help him in finding an appropriate wording. (ACTION: OGC).

6. Mr. Nedzi said he had heard a story that CIA [redacted] were somehow engaged in operations in Puerto Rico with respect to retaining the right to use the island of Culebra as a bomb run. I said I thought I could assure him that the Agency conducts no activities within Puerto Rico [redacted] I said that I interpreted the restrictions on the Agency to apply to the territories as well as the states. Could we find out whether any activity could possibly have gone on in Puerto Rico which might contradict my understanding? (ACTION: OLC)


25X1

25X1

7. Mr. Nedzi also referred to a recent newspaper article about a visitor to China being put under pressure to collaborate with CIA. I said I had seen the story and had asked about it but did not yet have an answer to the question. (ACTION: DDO)

8. We discussed the pressures coming onto the intelligence budget, particularly from the increase in the cost of personnel. I pointed out my belief that the management of the total community is going to be a major challenge in the future and that we will have to look hard at collection and analysis to justify the large investment they require. Mr. Nedzi asked what I thought about revealing the intelligence budget. I said that I could not put up a good case that revelation of the total budget would help the Soviets but that it was rather a tactical issue of whether it would generate requests for more details, riders, etc. leading to greater exposure or unwelcome limitations. I said we were studying this matter and would hope to have a suggested position which we would be glad to advise him of. (ACTION: OLC)

9. I indicated to Mr. Nedzi that I was giving some thought to ways to update the national estimates process. I told him I was informing him of this because I did not want him to be surprised by allegations that we are putting the analysis function under political straight jackets or any such construction. Since he knew so little about the national estimates structure he really was more confused than enlightened by my conversation although he was fearful that something might give trouble. I said I would be back to him on the subject after I had my thoughts worked out in greater detail. (ACTION: WEC)


W. E. Colby

WEC:gl
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